

Memorandum

To: ISO Board of Governors

From: Benjamin F. Hobbs, Chair, ISO Market Surveillance Committee

Date: July 12, 2023

Re: **Briefing on MSC activities May 11 to July 12, 2023**

This memorandum does not require Board action.

During this period of time, the members of the Market Surveillance Committee (MSC) of the California ISO consulted with ISO staff to provide informal review and comments on ongoing market initiatives and reports. These included the draft 2022 Annual Report on Market Issues and Performance being prepared by the Department of Market Monitoring. The MSC began preparations for the next MSC general session meeting, and for the Committee's planned review of ISO initiatives that have either been recently implemented or that are presently underway. Examples include nodal procurement of flexible ramping product implemented in February 2022 under the flexible ramping product refinements initiative, and the price formation initiative issue paper posted on July 5, 2022.¹

On May 17, 2023, Ben Hobbs, Chair of the MSC, made a presentation to the May 17, 2023, joint general session meeting of the ISO Board of Governors and Western Energy Imbalance Market Governing Body on the MSC's opinion on the day-ahead market enhancements (DAME).² The opinion was previously adopted in a MSC general session meeting on May 4, 2023. The MSC looks forward to working with stakeholders, ISO staff and management on the important issues involved in implementing the DAME initiative.

¹ <http://www.caiso.com/InitiativeDocuments/Issue-Paper-Price-Formation-Enhancements.pdf>

² The May 4, 2023 MSC opinion is available at www.caiso.com/Documents/MarketSurveillanceCommitteeFinalOpiniononDay-AheadMarketEnhancements.pdf. The MSC also issued an addendum on May 12, 2023 clarifying its understanding of the imbalance reserve product cost allocation proposal portion of the day-ahead market enhancements initiative, and reiterating the MSC's conclusion concerning the appropriateness of the cost allocation proposal (www.caiso.com/Documents/MarketSurveillanceCommitteeAddendumtoFinalOpinionDay-AheadMarketEnhancements.pdf).